

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10
L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 USIA-06
AID-05 COME-00 EB-08 FRB-03 TRSE-00 XMB-02
OPIC-03 LAB-04 SIL-01 OMB-01 AGRE-00 /088 W
-----015285 090142Z /63

R 081040Z MAR 78
FM AMEMBASSY BERLIN
TO SECSTATE WASHDC 6878
INFO AMEMBASSY WARSAW
AMEMBASSY BELGRADE
AMEMBASSY BONN
AMEMBASSY BUCHAREST
AMEMBASSY BUDAPEST
AMEMBASSY MOSCOW
AMEMBASSY PRAGUE
AMEMBASSY SOFIA
USMISSION USBERLIN
USMISSION USNATO

C O N F I D E N T I A L BERLIN 01659

E.O. 11652: GDS
TAGS: ECON, ECSM, UR, GE
SUBJECT: CHANGES IN SOVIET RETAIL PRICES

1. GDR GAVE MARCH 1 SOVIET RETAIL PRICE CHANGES FAIRLY
EXTENSIVE PRESS COVERAGE, INCLUDING A BRIEF FACTUAL
ADN (EAST GERMAN PRESS AGENCY) ITEM ON MARCH 1, AND A
LENGTHY ADN ACCOUNT ON MARCH 2 OF PRESS CONFERENCE
HELD BY SOVIET STATE PRICE COMMITTEE CHAIRMAN GLUSHKOV.

2. ARTICLE ON PRESS CONFERENCE STRESSED POSITIVE
DEVELOPMENTS IN SOVIET CITIZENS' STANDARD OF LIVING,
PLAYED DOWN THE IMPORTANCE OF ITEMS ON WHICH PRICES
HAVE BEEN RAISED, AND DEALT AT SOME LENGTH WITH
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INTERACTION BETWEEN GLUSHKOV AND WESTERN CORRESPONDENTS
SAID TO HAVE BEEN PRESENT.

3. WE SUPPOSE PRICE INCREASES IN USSR ARE CAUSING
GDR CONSUMERS TO WONDER WHAT IS IN STORE FOR THEM.
WE CONTINUE TO THINK, HOWEVER, THAT THE GDR IS TOO
HEAVILY COMMITTED TO ITS POLICY OF "STABLE" CONSUMER

PRICES TO UNDERTAKE ANY OBVIOUS CONSUMER PRICE REVISIONS, AT LEAST FOR THE FORESEEABLE FUTURE. WE THINK IT MORE LIKELY THAT FOR THE REMAINDER OF THE CURRENT FIVE-YEAR PLAN THE GDR WILL CONTINUE ITS PRESENT APPROACH INVOLVING A SLOW, MASKED RISE IN THE GENERAL PRICE LEVEL THROUGH THE INTRODUCTION OF NEW PRODUCTS, NEW PACKAGING, ETC., AND A FEW LUXURY GOODS AT VERY HIGH PRICES. BOLEN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, STANDARD OF LIVING, RETAIL PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 08 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BERLIN01659
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780105-0466
Format: TEL
From: BERLIN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780395/aaaadbzz.tel
Line Count: 70
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: c8d597cb-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 25 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3409705
Secure: OPEN
Status: NATIVE
Subject: CHANGES IN SOVIET RETAIL PRICES
TAGS: ECON, ECSM, UR, GC
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/c8d597cb-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014